State of the Sector

2020

CSAF COUNCIL ON SMALLHOLDER AGRICULTURAL FINANCE

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EDFI AgriFI
SAFIN
Good Energies POWER FOR A BETTER WORLD
IKEA Foundation
FOUNDATION

Data Partner

mix

Institutional Host

GDI Global Development Incubator

CSAF would like to thank MIX for collecting and analyzing members' data, Global Development Incubator for serving as institutional host for CSAF, Dalberg Advisors for its partnership in the data analysis underpinning the design of Aceli Africa, and IFAD and Small Foundation for their generous support of CSAF activities. We would also like to recognize the institutions that have signed on as field building partners to ensure that the data and insights generated by CSAF members in this report and the CSAF Open Data Portal are publicly available free of charge.

Vision & Mission

CSAF is an alliance of lending institutions with a shared commitment to building an inclusive and sustainable financial market for small- and medium-sized enterprises (SMEs) in the agriculture sector in developing countries worldwide. CSAF members convene to share learning, develop industry standards, and engage other stakeholders with the goals of:

1. Facilitating market growth to meet a greater share of the vast financing need for agricultural SMEs globally;
2. Promoting responsible lending practices and social and environmental standards to ensure that market growth for agricultural SME finance contributes to positive impact on smallholder farmers, workers, rural communities, and the natural environment; and
3. Building the ecosystem for inclusive and sustainable financial markets and agricultural value chains.

Target Market

Each CSAF member maintains a portfolio of loans and independently pursues its respective mission to finance high-impact agricultural enterprises. As distinct from micro-lending directly to individuals, CSAF lenders seek to promote environmentally sustainable practices and improve the livelihoods of smallholder farmers by financing enterprises that purchase crops from hundreds or thousands of individual producers and then aggregate, process, and sell those crops into domestic or global markets.

These businesses vary in size (annual revenues range from $250K to well over $10M) and structure (from farmer-owned cooperatives to private enterprises). In addition to providing economic opportunities for farm households, the businesses served by CSAF members generate substantial seasonal and year-round employment and often function as multi-service providers, offering farmers access to finance, farm inputs, and agronomic training. Many also provide non-agricultural services, such as scholarships for local youth, entrepreneurship training programs for women, clean drinking water, or health insurance. With reliable access to finance, agricultural SMEs can play an important role in building prosperity and climate resilience in developing economies.

Collectively, CSAF members have provided $4.3B in lending to agricultural SMEs reaching 3.4M smallholder farmers since we began collecting data in 2013.

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Letter from the Director

Dear Stakeholder,

CSAF annual reports typically present data and learning from the prior calendar year. This year, we begin by reflecting on what has happened since we closed the books on 2019: the spread of the COVID-19 pandemic to every country and sector of the global economy. **While agriculture has not yet been hit as hard as other sectors, COVID-related challenges in the coming months loom on top of the structural barriers that have hampered the growth of CSAF members' lending over the past four years.**

First, the relatively good news. Several months into the crisis, the food and agriculture sector has fared better than we originally feared. Most country governments have deemed agriculture an essential sector and, with some exceptions, value chains continue to function. At least for the crops where CSAF members focus, production and harvests already underway have largely proceeded, agricultural goods continue to move within and across borders, and demand for many goods has increased. As a result, most SMEs borrowing from CSAF members continue to perform on their loans, even if some are delayed in repaying.

At the same time, imports of farm inputs and crop exports have slowed in certain producer countries; some buyers have cancelled purchase contracts while others delay signing commitments because of market uncertainty; and processors have been forced to adopt social distancing measures. These disruptions have affected the liquidity, purchases, and sales of producer organizations and created uncertainty for smallholder farmers, workers involved in processing, and their families. In many case, farmer enterprises in remote areas have filled the void of weak or absent government in distributing food and health equipment in their surrounding communities.

CSAF members recognize that **challenges are likely to compound in the coming months as impacts ripple back and forth through supply chains.** For example, many farmers have been reluctant to invest in inputs for fear of tying up their limited funds when they may need cash on hand. Such choices now will have consequences at harvest time, with potential implications for food security among both farmers and domestic consumers. Meanwhile, reduced demand at the global retail level for products such as premium coffee is expected to ripple back down the chain to farmers who have spent years investing in quality only to see their crop now sell at much lower prices.

We are deeply concerned about the impact of these disruptions on smallholder farmers and rural communities. As social lenders, CSAF members affirm our commitment to working in partnership with our clients to support them through these difficult times.

At the end of last year, CSAF had already decided to be more proactive in sharing our data and learning to influence sector development. In response to the crisis, CSAF members have unanimously reaffirmed this decision. Our priorities for 2020 include:

- Refreshing the Responsible Lending Principles members developed in 2015. We have added a principle that places our commitment to ESG and impact front and center (previously articulated in CSAF's ESG Principles and embedded in other principles). We have also added a principle on working together—not just as social lenders, but also with buyers, technical assistance providers, certifiers, and all other stakeholders needed to support our SME clients.
- Expanding our network by welcoming three new affiliates: Grameen Crédit Agricole Foundation, MCE Social Capital, and SIDI. We are in dialogue with other like-minded lenders and expect to expand further in the near future.
- Adding a new category of field building partners who share CSAF's vision for a larger and more inclusive finance market for agricultural SMEs. The first field building partners are Ceniarth, EDFI AgriFI, Good Energies Foundation, IKEA Foundation, SAFIN, and Small Foundation.

CSAF members' 2019 lending confirms the need for approaches that go beyond tweaking at the margins. With aggregate lending of $669M, 2019 marked a partial recovery from the drop in lending in 2018, but volume has still not returned to its peak of $716M in 2017. The driver of this partial rebound—increased coffee lending in Central America, which is a well-established region for most members—masks the challenges lenders face in diversifying by crop and the year-on-year net decline in borrowers. The headline for 2019 remains the same as last year: the agri-SME lending market is risky and there are a limited number of borrowers that lenders can serve while maintaining their own financial sustainability. In other words, **lending volumes are nowhere near what's needed to achieve the sector's impact potential because the lending economics simply don't work to reach the majority of the unmet market demand.**

Over the past two years, CSAF has incubated the Aceli Africa initiative to bridge the gap between capital supply and demand from agricultural SMEs. Informed by data from 32 lenders on the economics of serving this market, Aceli Africa is now launching with the aim of mobilizing $700M in lending to agricultural SMEs in East Africa by 2024. Aceli's model "prices into the market" and compensates lenders for the positive social and environmental impact of lending that would not otherwise be profitable. In this way, it re-aligns lending economics with the impact objective of increasing capital flows to high-impact businesses.

While Aceli Africa began as an initiative of CSAF, it will operate independently. Individual CSAF members will participate on a level playing field with commercial banks and other local lenders in East Africa. This approach is emblematic of the role that CSAF can play in the market: identify market challenges based on our experience as practitioners, engage stakeholders in designing solutions and mobilizing resources, and then test and bring these solutions to scale.

Times of crisis present opportunities for a degree and pace of change that would otherwise be unthinkable. For years, CSAF members have been pushing the limits of the financial markets to reach businesses that are both viable and high impact but not profitable for lenders to serve. **Aceli Africa will allow CSAF members and local lenders alike to reach even further in extending finance and opportunity to agricultural enterprises across East Africa.** Similar approaches are needed in other regions as well—and we seek partners to join us in designing them.

Heading into a period of economic uncertainty, CSAF will continue to contribute our data, learning, and voice to strengthen the enabling environment for a thriving finance market that unlocks the growth and impact of agricultural SMEs globally.

Sincerely,

Brian Milder
CSAF Director

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Recent Updates

CSAF activities and accomplishments over the past year include:

- Established regional steering committees in East Africa, Central America, and South America to strengthen dialogue and collaboration among CSAF members' staff in each region.
- Created a category of field building partners—beginning with Ceniarth, EDFI AgriFI, Good Energies Foundation, IKEA Foundation, SAFIN, and Small Foundation—to formalize engagement with key ecosystem actors who share CSAF's vision and objectives.
- With Global Development Incubator, spun out Aceli Africa, a market incentive facility that provides financial incentives to lenders paired with technical assistance to agricultural SMEs to increase lending by both international and local lenders, beginning in East Africa.
- Created a COVID-19 working group to share global market intelligence and coordinate CSAF members' response to disruptions in agricultural value chains, particularly related to the farmer enterprises that members serve.
- Updated CSAF's Responsible Lending Principles to reflect member learning over the past five years and reaffirm our commitment to clients and other stakeholders (see the following page for more information).
- Established an Impact Working Group with the aim of coordinating a standard tool for collecting impact metrics that will streamline reporting processes for borrowers and lenders alike, much as members have done with a standard loan monitoring tool.
- Conducted a virtual price risk management (PRM) training, led by Oikocredit with co-funding from the Inter-American Development Bank (IDB), for CSAF representatives in South America.
- Convened a meeting of CSAF members—along with Aceli Africa stakeholders, including local lending institutions, donors, and technical assistance providers—in Nairobi in November 2019.
- Held a virtual meeting in June 2020 to discuss Responsible Lending Principles, review applications for new CSAF affiliates, and brainstorm around Aceli-like approaches in other regions outside East Africa.
- Welcomed three new affiliates: Grameen Crédit Agricole Foundation, MCE Social Capital, and SIDI.

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Refreshing CSAF's Responsible Lending Principles

CSAF was founded in 2012 by seven social impact lenders seeking both to share learning and improve our own operations, as well as to influence standards and best practices for agricultural SME lending globally. Challenges in the microfinance sector—where rapid growth outpaced standards for responsible lending and social and environmental performance—were an important reference, especially in the wake of the 2011 microfinance crisis in India. Early discussions among CSAF members focused on guiding principles for responsible lending to agricultural enterprises and led to the adoption in 2015 of a set of Responsible Lending Principles.

Over the past five years, CSAF members have been living these principles in our direct relationships with our borrowers, as well as in our dialogue with peers and co-lenders for those borrowers we share in common. Our regular meetings at global and regional levels are oriented around these principles and what we've learned from applying them. On the fifth anniversary of the principles—with 15 lenders now part of CSAF, and in the context of COVID-19 and its myriad implications for agricultural markets—we have revisited and refreshed them. The language below incorporates some adjustments, including breaking out separate principles for ESG and Working Together, and reaffirms our commitments to our borrowers and other stakeholders.

These are living principles that will evolve as we learn from experience. We welcome feedback in the spirit of continuous improvement.

CSAF RESPONSIBLE LENDING PRINCIPLES

As socially responsible lenders seeking to build a thriving and sustainable financial sector while upholding our fiduciary duty to our investors, we, the members of the Council on Smallholder Agricultural Finance, hereby commit to the following principles in our lending:

1. **Promotion of Inclusive Finance.** We actively promote and contribute to the further development of the market for agricultural finance. We embrace the concept of additionality in our lending, meaning that we seek to expand the addressable market to serve an ever-greater number of underserved agricultural businesses and a wider range of their financing needs..

CSAF members practice additionality: of the 650+ agricultural businesses accessing financing from CSAF members, 79% receive a loan from just one CSAF member.

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2. **Responsible Credit Decisions.** We act in the best long-term interests of a sustainable financial sector that serves our agricultural business clients, their affiliated smallholder farmers and workers, and our investors.
3. **Emphasis on ESG & Impact.** We actively seek out prospective clients that create positive impact on marginalized groups and on the environment, and we work together to harmonize policies and reporting for environmental, social, and corporate governance (ESG) standards consistent with CSAF's ESG Principles.

In 2015, CSAF members also created a set of ESG Principles enumerating both negative screens and positive social and environmental criteria. Members have been reporting in these annual publications and the CSAF Open Data Portal on a set of common impact metrics (aligned with the IRIS metrics for agriculture) and recently created a working group to harmonize around borrower impact reporting similar to the loan reporting tool referenced below under Principle 5.

4. **Transparency.** We maintain a high degree of transparency regarding loan terms, conditions, and processes by communicating clear, sufficient, and timely information in a manner and language our clients can understand.
5. **Harmonization of Standards.** We collaborate to set more harmonized lending and performance standards to reduce the burden for borrowers and contribute to further comparability in the industry.

CSAF members have created a standard loan reporting tool so that borrowers accessing finance from more than one lender can report monthly cash flow performance to all lenders in a common format.

6. **Prevention of Overindebtedness.** We take adequate care in all phases of the credit process to determine that clients have the capacity to repay our loans without becoming over-indebted.
7. **Trusted Information Sharing & Collaboration.** To promote the development of a healthy agricultural lending sector, we share information pertaining to due diligence and risk management with co-lenders while respecting the confidentiality of our borrowers' business and financial information.
8. **Fair Treatment.** We commit to ethical behavior in all credit decisions, including loan approvals, servicing and collections, and due processes for resolving disputes with the aim of engaging clients in good faith to support each business as a going concern.

In response to COVID-19-related disruptions in agricultural markets and clients' cash flows, CSAF members have been rescheduling loan repayments and exercising flexibility with late fees and other loan terms.

9. **Working Together.** As lenders, we commit to coordinating our actions with each other, with other lenders, and with other stakeholders, including buyers, technical assistance providers, and certifiers to support the success of our clients and the growth, impact, and sustainability of the agricultural finance market.

2019	$669M	DISBURSED	to	655	BUSINESSES	in	1,404	LOANS	sourcing
2013–2019 (CUMULATIVE)	$4.3B			1,419			10,990		

from	2.1M	FARMERS	across 61 COUNTRIES
	3.4M		76

2019 at a Glance

Concentration of Lending

- Aggregate lending by CSAF members increased by 6% in 2019 from $630M to $669M after a reduction in lending from 2017 to 2018. This increase in disbursements was driven primarily by lending in coffee.
- Almost all CSAF members reported growth in disbursements, primarily concentrated in Central America (up 34%) and sub-Saharan Africa (up 12%); lending decreased in all other regions.
- CSAF members now provide financing to 655 businesses, a 9% decrease from the previous year and continuation of a three-year decline in number of borrowers.
- While the total number of borrowers was smaller, members increased their focus on new borrowers, which made up 12% of clients financed in 2019 versus 7% in 2018.
- Average loan size for existing borrowers was higher than in any previous year of data collection ($850K in 2019 versus $803K in 2018).
- Coffee remains the most financed value chain, making up 48% of total global lending. Overall, lenders continued to concentrate in coffee, cocoa, and cashew nuts in 2019, though the absolute volume of disbursements in the latter two value chains decreased last year.

Continued Impact & Additionality

- Reached enterprises providing $7.7B in payments to 2.1M smallholder famers—33% of whom are women—and employing 77K workers.
- The vast majority (79%) of borrowers are served by a single CSAF member, and this percentage has remained relatively steady since 2013.

Risk Management & Difficult Economics

- Portfolio-at-risk greater than 30 days (PAR30) was 9.9%, the highest level in the last four years—further demonstrating the high risk of agricultural financing relative to other sectors.
- The overall share of write-offs in the global portfolio increased from 2.4% in 2018 to 5.8% in 2019.
- Client attrition was 26% from 2018 to 2019, compared to 21% the prior year.
- The economics of lending to agricultural SMEs—especially earlier-stage borrowers—continue to be difficult. CSAF lending has concentrated in existing borrowers (88% of the portfolio), larger loan sizes, and more formal value chains like coffee and cocoa, reflecting the challenges members face in financing higher risk, underserved clients within their current risk appetite. Data gathered over the past two years by Aceli Africa and Dalberg Advisors and summarized on page 12 provides further insights into the rationale behind this lending concentration.

BORROWER PROFILE

Enabling Business Growth and Farmer Resilience in Kenya

Based in the Kwale region of Kenya, Coconut Holdings Limited—through its subsidiary Kentaste Products Limited—produces certified organic and Fairtrade coconut oil and associated products for the local market. Kentaste creates substantial value for its farmer suppliers and employees. For example, it guarantees farmers a fixed price that is, on average, 50% higher than the market price. Kentaste also provides technical assistance to its suppliers at its own expense, helping them access and maintain organic and Fairtrade certifications.

According to a survey of more than 300 farmers affiliated with Kentaste—carried out by Coconut Holding's lender and CSAF member Alterfin—the enterprise offers substantial value to its suppliers, not just in terms of income, but also resilience. More than 86% of those surveyed said it would be "difficult" or "impossible" to find a viable alternative to Kentaste, and 96% reported that Kentaste enabled them to increase their profit. Farmers who have previously faced an income shock (such as drought, pests, or disease) are 30% more likely to report that, without Kentaste, farming would not be profitable for them. What's more, 72% of surveyed farmers report that Kentaste has helped them reduce the impact of climate change on their farming.

Alterfin has played a pivotal role for Kentaste. Before Alterfin's first loan to the business in 2017, Kentaste worked with 700 farmers and had no external source of financing. Alterfin's initial loan contributed to rapid growth and has attracted other leading impact investors, including Acumen, Alpha Mundi, DOB Equity, and EquaLife Group. Kentaste now works with more than 3,200 farmers and employs 149 workers, 42% of whom are women. According to Kyle Denning, Managing Director of Kentaste, "Alterfin's investment into our business played an instrumental role in unlocking additional capital and allowing us to grow our sourcing over the past few years. From their support, we've engaged new farmers and established collection centers in rural areas that we previously were not accessing, creating a new market for the farmers in those areas."

Aceli Africa Launch: Market Incentive Facility to Increase Agricultural Lending

Aceli Africa is a market incentive facility to address the challenging economics of serving agricultural SMEs and mobilize $700M in lending by both CSAF members and local financial institutions in East Africa by 2024. This initiative emerged from dialogue among CSAF members and has been developed over the past two years by CSAF and the Global Development Incubator drawing upon extensive data and stakeholder engagement. This section provides an overview of Aceli Africa and its product offering for lenders and agricultural SMEs. Aceli Africa is launching in August 2020 with funding from USAID Feed the Future and other bilateral and philanthropic funders.

Data-Driven Design, Marketplace Approach

Historically, there has been limited data available on the economics of financing agri-SMEs, making it difficult to identify where donor or government interventions are required and how they should be calibrated to incentivize lending without distorting markets. This data gap is problematic, especially since SMEs handle 60% of all food production and trade in Africa and their limited access to finance hampers the growth of this vital sector. Development actors have prioritized blended finance as a tool for catalyzing private investment in developing countries and could likely mobilize significant funding to close the agri-SME finance gap if it could be properly targeted.

To fill the data gap, Aceli Africa partnered with Dalberg Advisors to analyze both loan-level data and lender financial performance, complemented by interviews with lenders, to develop a complete picture of the challenges limiting their agri-SME lending. In total, Aceli and Dalberg engaged 31 lenders and analyzed 9,000 agri-SME loans worth $3.5B across 61 countries, with a deep dive in East Africa. Key findings from the data analysis, which will be released in a forthcoming report, include:

- Risk among CSAF members' portfolios in Africa is twice as high as in their more mature portfolios in Latin America
- Within East Africa, risk levels in agri-SME lending are twice as high as risk in other sectors served by commercial banks.
- Commercial banks in East Africa generated returns in their agri-SME lending that are on average 5% lower than their overall performance.
- While elevated risk in agriculture is a significant factor, higher operating costs for agri-lending account for more than half of the 5% spread in returns.
- The data indicates that solutions must be designed both to increase the risk appetite of lenders and to boost their returns. The structure of most credit guarantees (50% coverage on loan-by-loan basis) only addresses the risk component, and this new data indicates that it does so insufficiently.

Aceli Africa is designed as a market incentive facility open to any lender that contributes its data and commits to growing its agri-SME lending. Because incentives are based on data from a cross-section of lenders in the market—and set based on the composite economics of serving a given market segment, rather than the performance of an individual lender—the incentives reward efficiency and promote a more competitive and sustainable marketplace.

Product Offering to Increase Lending to Inclusive Agricultural SMEs

Aceli Africa seeks to increase capital supply, expand addressable demand, and bring the lending market for agricultural SMEs into greater alignment with impact objectives. Specific impact priorities are to improve livelihoods for smallholder farmers and rural workers, strengthen food security, create opportunities for women, and promote more environmentally sustainable and climate-smart agricultural practices.

On the capital supply side, Aceli Africa aims to mobilize $700M in lending by offering $40M in financial incentives to lenders across the following products:

- **First-loss protection** at a portfolio level for loans ranging in size from $25K to $1.5M. With each qualifying loan, a participating lender earns a credit (an average of 4% of the value of the loan) in a reserve account. As lending volume to high-impact agricultural SMEs increases, the reserve account grows and becomes available to cover the first losses on the portfolio of qualifying loans. This structure incentivizes lenders to make more loans that meet impact criteria—and is designed to absorb the full incremental risk at a portfolio level from serving these marginalized borrowers (as opposed to half of the incremental risk as a 50% guarantee structure would), while still ensuring lenders have substantial "skin in the game."
- **Origination incentives** compensate lenders for the lower revenues and higher operating costs of making smaller loans to SMEs that would not otherwise have access to finance. Aceli Africa will offer origination incentives as additional revenue for lenders on loans ranging from $25K to $500K, which tend to be unprofitable for lenders even when they are repaid. These incentives are particularly important to create a "pull mechanism" to motivate lenders to reach enterprises in far-flung rural areas and less developed value chains, particularly for food crops sold in local markets.
- **Impact bonuses:** To qualify for the first-loss protection and origination incentives above, a loan must meet a minimum set of criteria indicating that the borrower benefits smallholder farmers and/or low-wage workers. On top of these baseline incentives, Aceli Africa also provides an "impact bonus" in the form of higher first-loss coverage and origination incentives for loans to borrowers that are gender-inclusive (using the 2X Challenge criteria created by the leading development finance institutions), strengthen regional food security, or practice climate-smart agriculture. The more impact conditions are met, the higher the additional impact bonuses.

Aceli will also increase addressable demand among agri-SMEs and bring capital supply and demand into greater alignment through:

- **Technical assistance** at both the pre- and post-investment stage for agricultural SMEs to strengthen their business and financial management capacity.
- **Capacity building** for lenders to adapt their product offering, enhance their staff expertise, and improve their systems and processes for the agri-SME market.
- **Innovation investments** to promote technological and other business model improvements that will drive down the costs of agri-SME lending and make the market more competitive and efficient in the medium term.

Launch

As of publication, 25 lenders—including 9 CSAF members and 16 commercial banks and non-bank financial institutions domiciled in East Africa—have applied to participate in Aceli Africa. Beginning in August 2020, Aceli Africa is offering financial incentives to participating lenders for qualifying loans to agri-SMEs in East Africa. Technical assistance for SMEs, capacity building for lenders, and innovation investments will be rolled out over the course of 2020 and early 2021. Based on learning from initial activities in Kenya, Rwanda, Tanzania, and Uganda, Aceli may expand to other countries in Africa or regions globally in the coming years.

Aceli Africa is emblematic of the role that CSAF plays in the market: facilitating dialogue among practitioners to identify market challenges, mobilize stakeholders to develop innovative solutions, and engage the broader marketplace in testing and bringing these solutions to scale. More information about Aceli Africa is available at aceliafrica.org.

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Global Insights

During 2019, CSAF lenders disbursed $669M in credit to 655 businesses across 61 countries. These businesses connected 2.1M smallholder producers—33% of whom are women—to domestic and international markets, and provided 77K jobs in rural communities.

Overall lending increased by 6%, with variation across regions. On a global, aggregate basis, topline lending increased in 2019 after decreasing by 12% the previous year—though still not reaching peak 2017 levels. Growth was concentrated in Central America (34%) and sub-Saharan Africa (12%), while decreasing to varying degrees in all other regions. For more detail on regional trends, see page 23. Almost all CSAF members (10 out of 13) reported an increase in disbursements in 2019—contrary to last year, when most members (7 out of 12) reported a decline. Members reporting an increase in disbursements were almost evenly split between three growth buckets: four reported increases of 0-20%, three reported increases of 20-40%, and three reported growth above 40%.

Total number of borrowers decreased for the third year in a row. As in prior years, some borrowers paid down their loans, declined to renew, or were not renewed by their lenders, resulting in a 26% attrition rate from 2018 to 2019, compared to 15% in 2016. Sub-Saharan Africa remains the region with the highest attrition, but at a slower rate than 2018. While the total number of borrowers was smaller, members increased their focus on new borrowers, which made up 12% of clients financed last year versus 7% in 2018. Half of these new clients were located in sub-Saharan Africa and one-quarter were in South America. For the second year in a row, the biggest decrease in number of borrowers occurred in Peru (from 116 to 107)—however, Peru remains the country with the largest overall number of borrowers in CSAF lenders' collective portfolio.

Credit quality decreased in 2019, demonstrating the high risk of agricultural financing relative to other sectors. Portfolio-at-risk greater than 30 days (PAR30) across all CSAF member portfolios was 9.9%, the highest level in the last four years. Almost half of members reported an increase in PAR30 in 2019. The biggest increase occurred in "Other" regions (primarily Eastern Europe and the Middle East/North Africa), where PAR30 jumped from 6% in 2018 to 36% in 2019. Increases in sub-Saharan Africa and South America were more modest, while PAR30 actually decreased in Central America and South & East Asia. At the same time, write-

Figure 1: Annual Lending and Businesses Reached

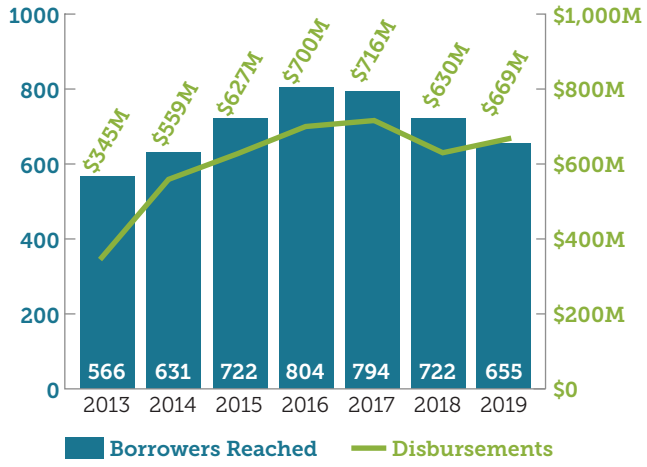


Figure 2: Credit Volume by Region (2019)

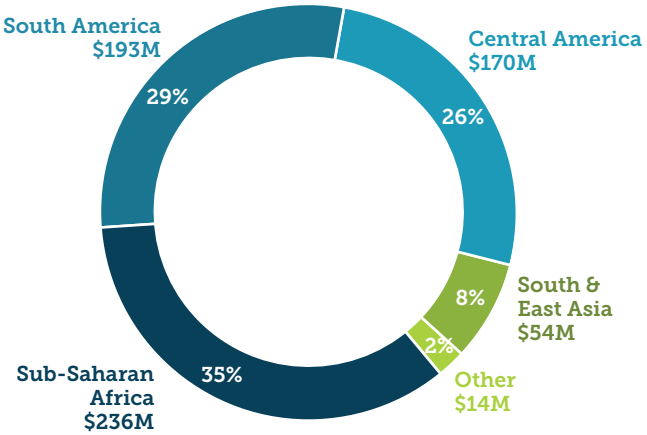
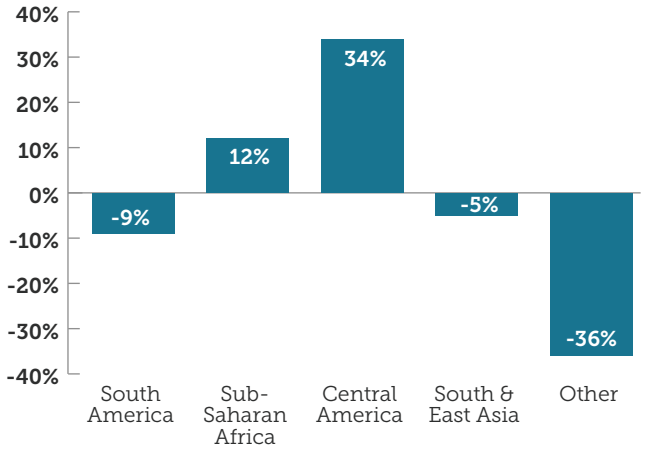


Figure 3: Credit Volume Growth from Previous Year



offs spiked across all regions—the overall share of write-offs in the global portfolio increased from 2.4% in 2018 to 5.8% in 2019.

Smaller loans (<$250K) continued to have the highest PAR30 ratio; however, PAR30 in this loan bucket declined from 28% in 2018 to 17% in 2019. Conversely, PAR30 increased in all other loan size buckets, with the largest jump occurring for loan sizes $1M to $2M—from 5.7% in 2018 to 11.4% in 2019.

For the first time since 2013, the biggest share of disbursements went to cooperatives and associations. The share of disbursements to this borrower type was 51% versus 45% in 2018. This continues a trend of growth in lending to cooperatives and associations that began in 2017 after three years of downturn. The increase in disbursements to cooperatives was present across all regions, with modest growth in Central America (1%) and South America (4%) and significant growth in sub-Saharan Africa (11%). On the flip side, the share of disbursements to private enterprises—which has long been the bulk of CSAF member disbursements on a global level—has continued to decrease since 2017 and now represents 46% of lending. These trends are both linked to a continued consolidation of member lending in coffee and a decline in cocoa, cashew, and Brazil nut lending.

Seasonal trade credit remains the most frequently used form of financing, but decreased slightly from 74% in 2018 to 70% in 2019. While representing a much smaller portion of disbursements, general working capital and asset financing both increased in 2019, from 20% to 24% and 4% to 6%, respectively.

Average loan size for existing borrowers was higher than in any previous year of data collection. In 2019, the average loan size for these borrowers was $850K, up from $803K in 2018. New borrowers also increased their average loan size, from $538K to $645K—however, this is still much lower than the peak average loan size for new borrowers in 2016, when it was $870K. On a regional level, average loan sizes for existing

Figure 4: Existing & New Borrowers Reached

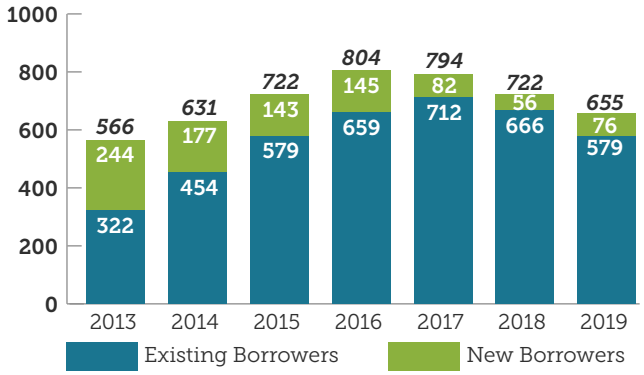


Figure 5: Client Retention Rate

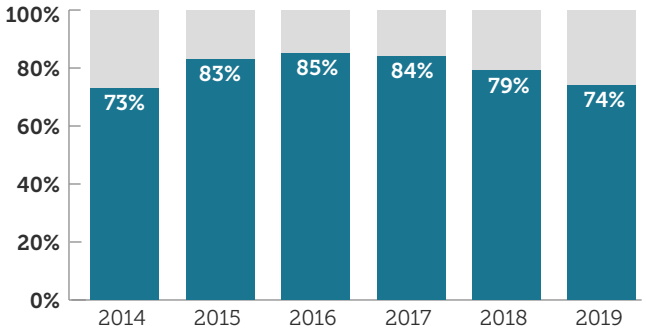
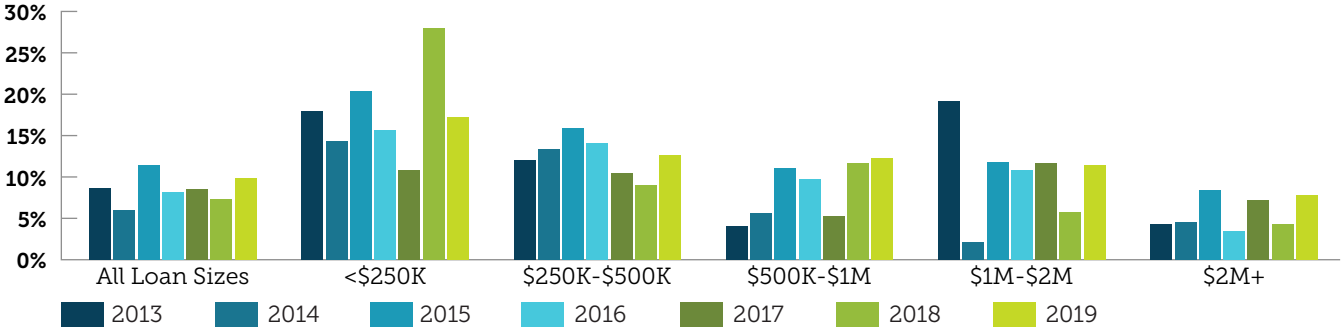


Figure 6: Portfolio-At-Risk Greater Than 30 Days (by Loan Size)



borrowers increased everywhere except sub-Saharan Africa. However, average loan size for new borrowers in sub-Saharan Africa increased significantly, from $382K in 2018 to $759K in 2019. Conversely, in both South & East Asia and South America, the average loan size for new borrowers substantially decreased—from $807K to $230K in the former and from $949K to $697K in the latter.

Overall, the share of loans over $1M increased slightly from 29% in 2018 to 31% in 2019. As share of total disbursements, loans over $1M increased from 51% in 2018 to 66% in 2019. Loans under $250K, on the other hand, decreased as both a share of loans (from 25% in 2018 to 23% in 2019) and share of total disbursements (5% in 2018 to 3% in 2019). These trends are indicative of the challenges of servicing smaller loans profitably.

Figure 7: Disbursements by Borrower Type

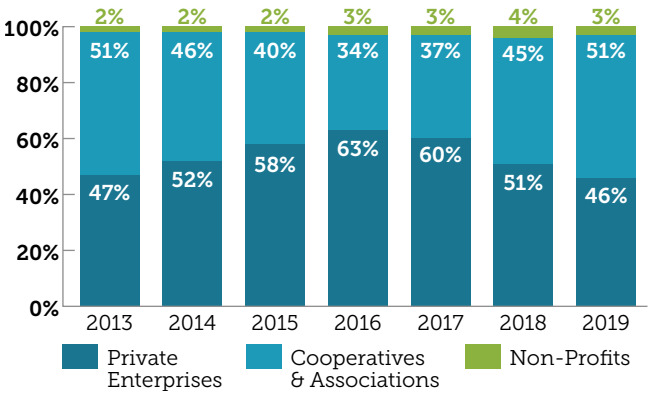


Figure 8: Disbursements & Outstanding Balance by Loan Purpose (2019)

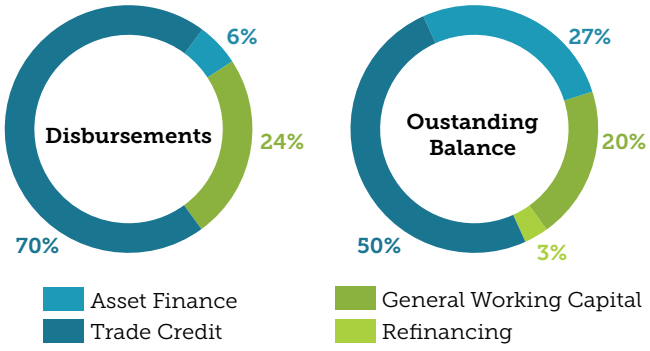


Figure 9: Active Loans by Size (2013 vs. 2019)

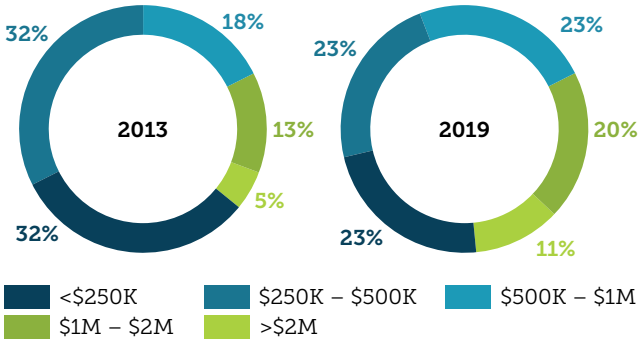


Figure 10: Loan Size – New Borrowers

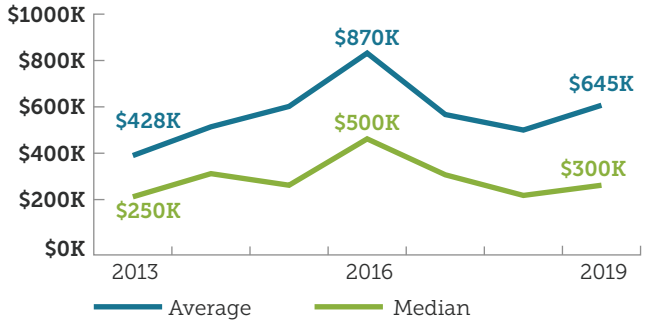
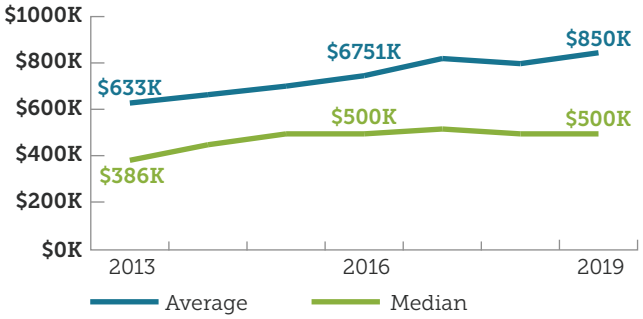


Figure 11: Loan Size – Existing Borrowers



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Impacts of COVID-19 Crisis on Rural Lenders, Markets, and Borrowers

While this report focuses on trends in CSAF members' portfolios during 2019, during the first half of 2020 the COVID-19 pandemic introduced a significant shock to the world economy, including the markets we serve. CSAF members are mobilizing to understand the challenges for our borrowers and to mitigate negative impacts in both the short and long term (see following page for more details on member response). An informal survey of members gave a snapshot in time of COVID-19 impacts as this report was being finalized.

IMPACTS ON AGRICULTURAL MARKETS

The impacts of COVID-19 and subsequent economic lockdowns have varied between different value chains and across regions. For example:

- There are some reported instances of agricultural products being held up in transit within countries or crossing borders, with landlocked countries more susceptible to uncertainties and disruptions.
- Some buyers have canceled or postponed contracts as they grapple with volatile consumer demand. This is particularly the case for products that are reliant on retail, such as specialty coffee sold at higher-end cafes. There are fears of a further drop in international coffee prices due to volatility.
- The demand for some food products has gone up as home consumption in European and North America has increased.
- In other parts of the market (e.g., the lower-quality and more commodified segments of non-perishable crops), buyers are stockpiling as much product as possible as we enter a period of market uncertainty.
- In the West African cocoa market, most big exporters finalized the execution of their contracts and delivery/warehousing of product before the end of March. In some cases, shipment delays caused additional costs.
- High-value perishable crops such as horticulture and flowers that are air-freighted from East Africa to Europe have been heavily affected by reduced air traffic and increased transport costs.
- In local food crop value chains, the biggest risk is decreasing demand due to declining household income.
- Value chains that depend on the hospitality and tourism sectors—such as meat, poultry, and dairy suppliers targeting domestic markets—are highly impacted as hotels, restaurants, etc. have temporarily closed down.

IMPACTS ON AGRICULTURAL LENDERS

Overall, the pandemic has not yet had a significant impact on loan performance for existing borrowers, though members have had to adapt their operations to a virtual setting. For example:

- Lenders are moving to virtual due diligence and loan monitoring operations that they would normally do on-site. With due diligence more challenging, lenders plan to focus on lending to existing clients and will make few, if any, loans to new clients.
- In cases where borrower cash flows have been delayed by disruptions in the supply chain, lenders are renegotiating loan terms and repayment plans with borrowers. Some borrowers need increased financing to accommodate increased demand, while others require less financing because contracts have been canceled.

IMPACTS ON RURAL BORROWERS, FARMERS, AND WORKERS

The main public health and economic impacts have been felt at the borrower and farmer levels. Enterprises have had to adjust to varying levels of lockdown and social distancing, which also leaves farmers with less access to important resources. In particular:

- Different countries have been under differing levels of quarantine or lockdown. While most ports are still functioning (and agriculture is recognized as an essential service), some are experiencing shipment delays.
- In order to continue operating, rural enterprises have to implement new safety and social distancing protocols. Fewer staff has led to a slower rate of processing for crops such as cashews, macadamia nuts, and Brazil nuts. Travel restrictions in some countries have also impeded the availability of migrant labor.

How CSAF Members Are Responding to Mitigate Impacts of COVID-19

In light of the varying impacts of the COVID-19 pandemic on lending operations, agricultural markets, and borrowers, CSAF members are mobilizing a range of responses. Thus far, these have included:

- Extending repayments and restructuring existing loans, as appropriate.
- Focusing on the needs of existing borrowers—and, in some cases, putting a moratorium on lending to new borrowers.
- Conducting remote due diligence of businesses that are known to members.
- Coordinating with other CSAF members that lend to the same business to share due diligence and loan monitoring data and ensure borrowers' most pressing needs are met.
- Providing virtual technical assistance tailored to urgent priorities. For example, CSAF member Root Capital is building upon its established service offering in mobile and digital technology to deliver training that helps its borrowers to implement new processes, policies, and best practices to understand the fluctuating market, make sound decisions, and communicate with key stakeholders, including farmers and buyers. Focus areas include crisis management and emergency operations, financial management, and digital data collection and analysis.
- Deploying grant funding to provide emergency assistance to farmers and workers. For example, CSAF member responsAbility redirected existing grant funding from Swiss Development Corporation to enable borrowers in Peru to comply with government regulations on social distancing. Cooperatives can use the grant money to purchase personal protective equipment for employees; make necessary infrastructure investments, such as handwashing stations; or disseminate health and safety information to suppliers, among other activities.

The common thread for these activities is flexibility, as responses need to be tailored to specific value chains and businesses—not to mention the changing status of public health, government regulations, and local economies in any given community at any given time. The coordination enabled by CSAF is absolutely vital during a crisis such as this. As the pandemic persists, members will continue to exchange experiences on which responses are working, what challenges arise, and how to best serve our clients.

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BORROWER PROFILE

Financing and Technical Assistance to Grow Early-Stage Cocoa Cooperatives in Peru

For decades, rural communities on the slopes of the tropical Andes in Peru have been caught between drug traffickers and poverty, leading many farmers to cultivate illegal coca to earn a steady income. In response, USAID and the government of Peru have financed projects encouraging farmers to switch from coca to cocoa. In addition to being a legal crop, cocoa is well-adapted to a warming climate.

Cooperativa Agroindustrial Cacao Alto Huallaga was founded as an association of cocoa producers in the valley of Alto Huallaga in 2009. Cacao Alto Huallaga's cocoa is organic, Fairtrade, and UTZ-certified, attracting a premium price from European buyers focused on high-quality cocoa. In 2018, the cooperative generated more than $5M in sales. With high revenues at a premium price, the business can guarantee a good income for its 450 farmer-members.

But it hasn't always been easy. In 2013 and 2014, Cacao Alto Huallaga faced quality issues that made buyers reluctant to purchase its product. Cooperative staff worked hard to improve the quality and broaden the cooperative's customer base over the next few years to four international and two local buyers. The cooperative has built five collection centers in nearby communities, through which it also disseminates training to farmers and assures quality control. These improvements were possible, in part, because of financing from two CSAF members—Rabo Rural Fund and Shared Interest—as well as from a local lender.

Cacao Alto Huallaga's story illustrates the pressing need for early-stage lending, as well as technical assistance that builds business capacity to address quality control and other challenges. As cocoa cultivation continues to expand in Peru—particularly as climate change makes coffee farming more difficult—technical assistance and financing must be made accessible to many more small farmer cooperatives.

Value Chain & Regional Trends

Value Chains

Of the top three CSAF value chains, coffee was the only one in which lending increased in 2019. Since the formation of CSAF, coffee has made up the bulk of the collective portfolio—in 2019, it comprised 48% of total lending. Overall disbursements in coffee increased by 12%, from $284M in 2018 to $318M in 2019, the highest amount since data collection began. Central America led this increase in disbursements, particularly in Honduras where coffee lending increased from $29M in 2018 to $50M in 2019. Disbursements also continued a growth trajectory in Colombia, from $25M in 2018 to $30M in 2019 (and compared to only $3M when data collection began in 2013). An increase in larger loan sizes in 2019 caused the average loan size to grow by 11% for existing coffee borrowers and 13% for new coffee borrowers. Overall, the number of borrowers in coffee continued to decrease from 268 in 2018 to 253 in 2019.

Cocoa lending saw a slight decrease of 3% from $88M in 2018 to $85M in 2019. The majority of this lending was concentrated in sub-Saharan Africa (64% of cocoa disbursements), followed by South America (28% of cocoa disbursements). Cocoa disbursements saw only incremental increases in the main countries of Cote d'Ivoire ($43M) and Peru ($23M), while decreasing slightly in most other countries. The overall number of borrowers in the cocoa value chain also decreased modestly, from 73 in 2018 to 69 in 2019. Though cocoa continues to be the second most-financed value chain for CSAF members, it is a relatively small share of the portfolio at 13%.

Like cocoa, lending in cashew nuts experienced a decrease in 2019. Cashew disbursements were down to $54M in 2019 from $64M in 2018—a decline of 16%. Since a surge in cashew nut lending by CSAF members in 2017 (when disbursements increased 54% year-over-year to $71M based on a few large loans), disbursements have steadily fallen. Cashew nut lending now comprises 8% of the total global portfolio compared to 10% during the previous two years as lenders consolidate with the best-performing borrowers. All of the 2019 lending in cashew nuts went to existing borrowers, for whom the average loan size increased from $751K in 2018 to $912K in 2019. At the same time, with no new cashew nut borrowers, the overall lending declined. While cashew

Figure 12: Share of Regional Lending by Value Chain

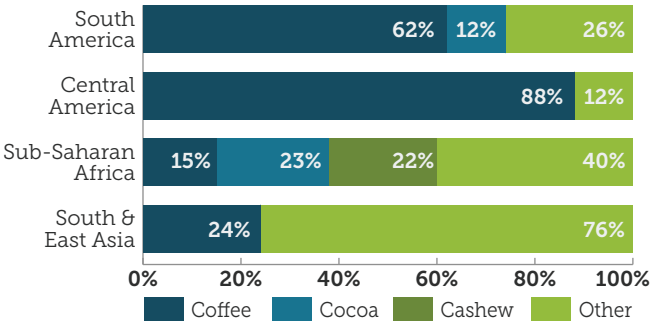


Figure 13: Global Cocoa Lending & Borrowers

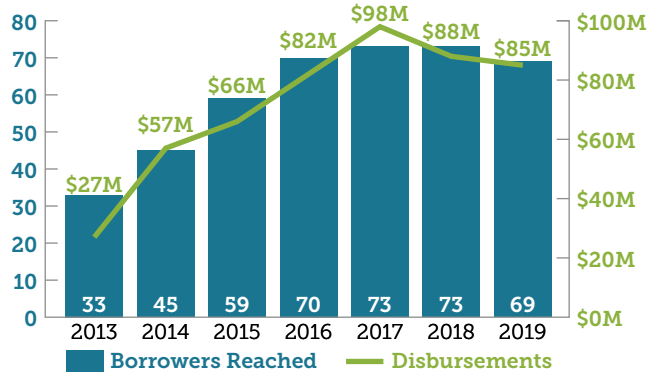
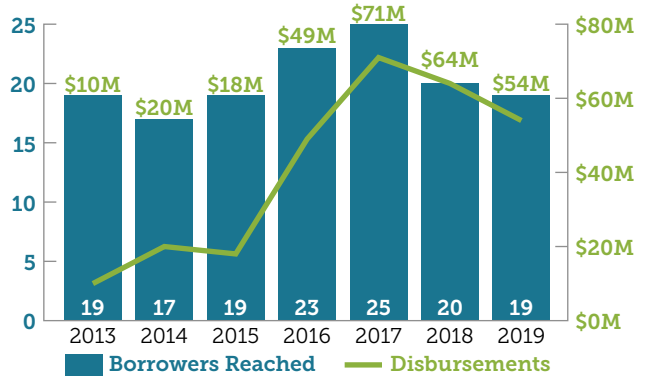


Figure 14: Global Cashew Lending & Borrowers



lending increased in Burkina Faso—from $7M in 2018 to $13M in 2019—it decreased in most other countries.

Lending in other nut value chains, such as Brazil nuts and macadamia, remained a small proportion of the global CSAF portfolio. Brazil nut disbursements decreased from $20M in 2018 to $16M in 2019, while macadamia lending declined from $19M to $15M. This is after 2018 saw high growth in both of these value chains, relative to their lending volume.

While representing a very small subset of CSAF member lending, disbursements increased in a few key staple crops. Lending to rice borrowers grew from $9M in 2018 to $17M in 2019, while maize lending went from $5M to $12M. Disbursements in the category of "other pulses" doubled, from $6M in 2018 to $12M in 2019. These increases make up for decreases in the prior year and primarily reflect the lending activity of one member serving a handful of larger borrowers.

Figure 15: Coffee & Non-Coffee Lending

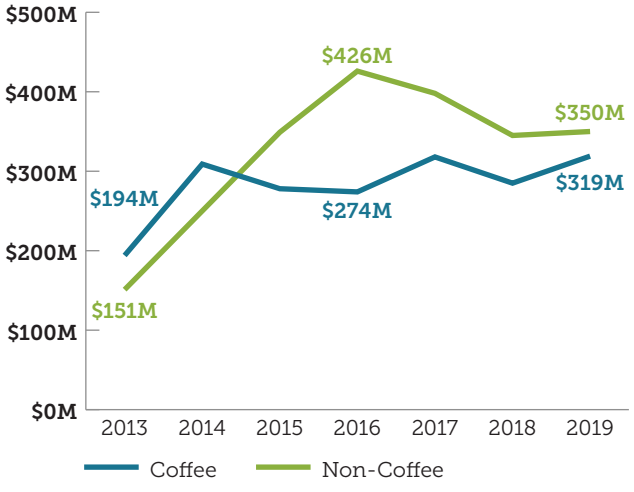
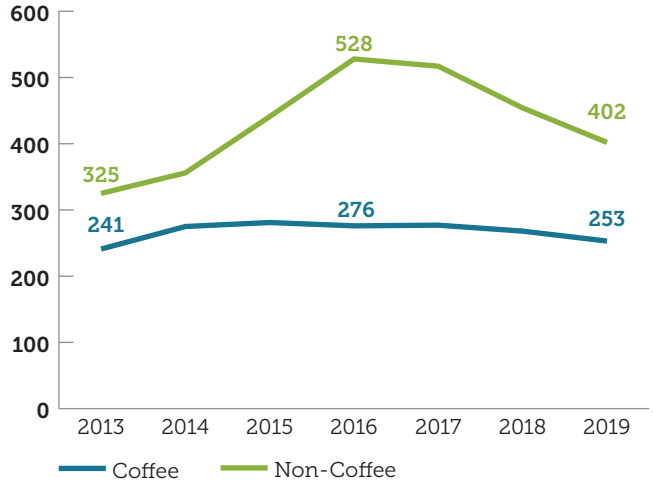


Figure 16: Coffee & Non-Coffee Borrowers



Regions

Lending in sub-Saharan Africa bounced back to 2017 levels after declining in 2018. Disbursements increased by 12% from $211M in 2018 to $236M in 2019. For the last three years, sub-Saharan Africa has accounted for the largest share of CSAF member financing (35% in 2019). The largest disbursement increases in the region occurred in Tanzania and Côte d'Ivoire, which both saw $9M in growth. In Tanzania, this increase was primarily focused on loans to large agro-processing clients that work across multiple countries. The biggest commodities in sub-Saharan Africa, as in the larger portfolio, continue to be cocoa ($54M), cashew nuts ($51M), and coffee ($36M). All of these value chains saw modest decreases in disbursements in 2019 versus 2018—11% in cocoa and cashews, and 3% in coffee. Members increased their disbursements in rice (67% growth), maize (80% growth), and other pulses (100% growth), as well as eggs, which went from $0.5M in 2018 to $9M in 2019.

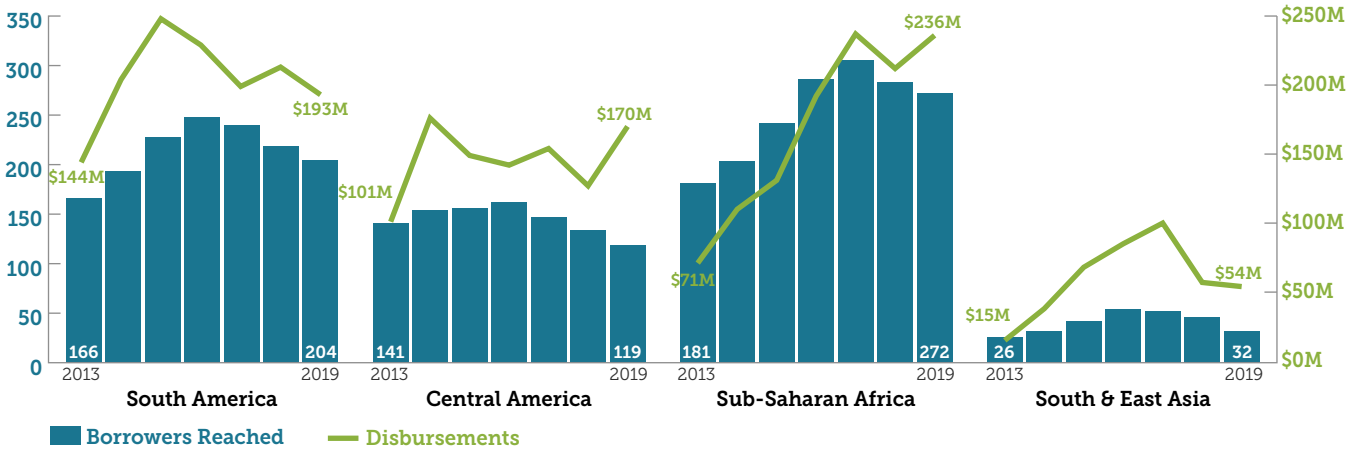
Lending in South America declined after modest growth in the previous year. Disbursements in this region totaled $193M, compared to $213M in 2018. Peru remains by far the country with the most CSAF lending activity with $132M disbursed to 107 borrowers. However, two of the top five countries experiencing declines in disbursements in 2019 were in South America—lending in Argentina declined by $12M and in Bolivia by $7M. As in the rest of the portfolio, the share of lending to coffee enterprises in this region increased year-over-year, accounting for 62% of disbursements in 2019 versus 56% in 2018. However, the dollar amount of financing in coffee remained the same, while lending in other value chains—notably wine, Brazil nuts, and sugar—decreased.

Lending in Central America increased significantly, reaching the highest levels since 2014. Total disbursements in the region grew from $127M in 2018 to $170M in 2019; however the number of clients decreased from 134 to 119 as average loan size increased by 9%. Of the top five countries that saw growth in disbursements last year across CSAF members' global lending, the top two were in Central America. Lending increased in Honduras by $20M and in Costa Rica by $13M, as members looked to finance existing coffee clients in the region.

Lending in South & East Asia continued a three-year pattern of decline. However, the decrease in disbursements was much smaller in 2019, with lending at $54M down from $57M in 2018 (following a precipitous drop from $100M in 2017). Decreases in financing for enterprises in Vietnam and Timor-Leste (-$4M each) were slightly offset by increases in India (+$2M), the Philippines (+$1M), and Thailand (+$3M). As total share of global lending, disbursements in South & East Asia remain small at only 8% of the portfolio (compared to the next-smallest region, Central America, at 25%).

Lending in other regions, the smallest portion of CSAF members' collective lending, continued to decrease. Disbursements went from $22M in 2018 to $14M in 2019—close to the historic low of $13M in 2013. Lending in this category includes countries in Eastern Europe, the Middle East, and North Africa, and is primarily focused on hazelnuts and fruits. In total, these other regions account for only 2% of global disbursements and 4% of borrowers, and is driven almost entirely by one CSAF member.

Figure 17: Annual Credit Volume and Number of Businesses Reached, by Region



BORROWER PROFILE

Connecting Smallholder Fruit Farmers in Nicaragua to Valuable Export Markets

Sol Organica is a certified B-Corporation working to improve the livelihoods of tropical fruit farmers in Nicaragua. The enterprise sources, processes, and exports pureed, juiced, and dried tropical fruits, while working closely with its suppliers to improve agricultural practices. The majority of Sol Organica's sales come from organic puree of pitahaya, more commonly known as dragon fruit. This and other products—processed from mango, coconut, passion fruit, banana, and other fruits—are exported primarily to the US, as well as Brazil and European markets.

Sol Organica is one of only a few enterprises to connect smallholder fruit producers in Nicaragua to export markets, and one of even fewer that add value to the fruit before export. This model enables Sol Organica to boost the volume of fruits purchased from smallholder farmers, and therefore their incomes. The enterprise also offers training and technical assistance to help farmers increase productivity and secure organic and Fairtrade certifications. As of March 2020, Sol Organica had a network of 1,189 smallholder farmers, 71% of whom were organic-certified. Their supplier base has more than doubled over the past three years. Sol Organica employs 146 people, including 76 permanent employees and 70 temporary workers—though the number of temporary workers typically increases to more than 300 during the peak harvest season.

Since 2018, CSAF member MCE Social Capital has made two $200K loans to support Sol Organica's continued growth. MCE's financing is helping the business increase its production capacity and diversify its product line so that it can ultimately reach more smallholder farmers.

Increasing Evidence for the Agricultural Finance Sector – A Research Summary

When CSAF was founded in 2012, there was little data to give stakeholders a shared understanding of the challenges and opportunities in the sector. Today, there is a growing volume of reports that shed new light on the state of agricultural finance, including the SME segment where CSAF members focus. Here we summarize key findings from just a few.

Pathways to Prosperity: Rural and Agricultural Finance State of the Sector Report (ISF Advisors & RAF Learning Lab)
A follow-up to the 2016 Inflection Point report and the seminal 2012 Catalyzing Smallholder Agricultural Finance publication, Pathways to Prosperity presents updated data on the size and scope of the agricultural finance market. The report also draws on recent research by Dalberg Advisors on the scope of agricultural SME finance, which found that there is an estimated $65B lending gap for agricultural SMEs in sub-Saharan Africa alone. This report introduces a new "pathways" model that enables a more dynamic view of how rural households and their needs may evolve over time, including as they enter or exit agricultural enterprises.

Role of Government in Rural and Agri-Finance: Transitioning to private sector involvement (ISF Advisors & Aceli Africa)
This briefing note—a follow-up to a 2013 report on the same topic—explores the transition that different countries make from government directly financing agriculture to enabling increased financing from private lenders via public support programs. The historical experiences of Mexico, Turkey, and Uganda are presented to complement past research by ISF Advisors into the United States, Germany, and South Korea. The report distills learning from the approaches different countries have taken to make this transition. Examining these experiences from countries at varying stage of development reveals lessons about what actions governments can take, how those actions should be coordinated, which institutions should be tasked with implementing government initiatives, and the role that strong commercial incentives play in activating private sector financial service providers.

Development Finance: How it can enable the growth and transformation of agriculture (Gatsby Africa)
This report presents case studies on five sectors that achieved sustained economic transformation and highlights the role that development finance institutions and others played in providing 'concessional finance' (defined as finance that does not seek a market return) to pioneering sectors. Among other findings, the report identifies a considerable gap in the supply of concessional finance required to support agricultural transformation. In the most successful cases, finance providers depend on "close government engagement to resolve specific bottlenecks." The report also finds that finance is most effective when linked with appropriate technical assistance, access to technologies, and skills training.

COVID-19 Emergency Briefing Series: Agri-SMEs operating in uncertain financial, operational, and supply chain conditions (ISF Advisors & RAF Learning Lab)
This emergency briefing series builds on the Pathways to Prosperity report to provide tangible recommendations on how to support rural livelihoods throughout the COVID-19 crisis. It examines the impact on agricultural SMEs in emerging markets facing supply chain disruptions, movement restrictions, and changes in consumer demand. Among other impacts, COVID-19 is creating even more financing pressure for underserved agricultural SMEs. The briefing notes the need for bolstering risk-sharing mechanisms, fintech models, and direct government financing in order to bridge the financing gap and keep enterprises viable through the economic shock and ensuing recovery period.

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Looking Ahead

As we publish this report, the global health and economic crisis wrought by COVID-19 continues unabated with cases still spiking in many regions and no end in sight. Amid these challenges, the food and agriculture sector is more critical than ever—as are the agricultural SMEs that link farmers to markets and are essential for both livelihoods and food security.

CSAF members know from experience both the challenges of financing these enterprises and the opportunity for impact. We celebrate the milestone of Aceli Africa's launch two years after we initially discussed this idea at our annual meeting and are heartened that non-CSAF members—including 16 commercial banks and non-bank financial institutions domiciled in East Africa—comprise the majority of the lenders participating. This appetite for increased lending to the agricultural SME segment from local financial institutions is a strong indicator of the leadership role that CSAF can play in the market.

We also recognize the need for similar approaches to re-balance the risk-return for lenders in other regions and align it with the impact objectives CSAF members, our field building partners, and so many other stakeholders share. We look forward to contributing our data and learning to strengthen the enabling environment for a thriving finance market that unlocks the growth and impact potential of agricultural SMEs globally.

Appendix 1: A Note on Methodology

The results presented in this report are based on agricultural lending activity by the nine CSAF global members, three global affiliates, and one regional member from January 1, 2019 to December 31, 2019 (note: two additional global affiliates joined after the data collection period).

CSAF members and affiliates (collectively referred to in this report as members) provided this information to MIX, an organization that promotes financial inclusion through data and insight, under a nondisclosure agreement. Subsequent analysis was conducted by MIX using an aggregate dataset and therefore does not identify either the borrower or the lender.

To account for inconsistent data types and to improve trend analysis, MIX applied a unified adjustment methodology across both new and historical data. Therefore, readers will notice variations from the data published in CSAF's previous annual reports.

We believe this methodology presents the most accurate and up-to-date picture of our constantly evolving industry. Additionally, we restrict our reporting to only active loans, which are defined as meeting at least one of the following criteria:

- a maturity date in 2019 or later;
- one or more disbursements during 2019; or
- an outstanding balance (not subject to write-off) at any point during 2010.

To complement and contextualize the data presented in this report, CSAF members participated in qualitative surveys and discussions covering trends affecting portfolio growth and credit quality, with insights incorporated throughout this report.

Appendix 2: Data Summary

	CREDIT				BORROWERS			LENDERS
	Amount Disbursed	% Change from Previous Yr	% of Global Disbursements	Average Disbursements	Number of Borrowers	Change from Previous Yr	% of Total Borrowers	# of CSAF Members
GLOBAL	**$669M**	**6%**	**25%**		**655**	**-67**	**100%**	**13**
Central America	**$170M**	**34%**	**5%**	**$633K**	**119**	**-15**	**18%**	**11**
Costa Rica	$31.3M	75%	3%	$977K	18	-2	3%	6
Guatemala	$18.9M	13%	7%	$429K	18	-6	3%	7
Honduras	$50.1M	69%	2%	$849K	19	-3	3%	7
Mexico	$16.3M	51%	8%	$332K	30	1	5%	9
Nicaragua	$53M	2%	29%	$631K	30	-6	5%	11
South America	**$193M**	**-9%**	**0%**	**$425K**	**204**	**-15**	**31%**	**11**
Argentina	$0.5M	-96%	3%	$22K	14	-2	2%	2
Bolivia	$16.8M	-29%	1%	$409K	27	3	4%	7
Brazil	$5.3M	-30%	0%	$375K	6	0	1%	5
Chile	$1M	-33%	5%	$101K	3	-1	0%	4
Colombia	$31.8M	17%	0%	$601K	27	-1	4%	7
Ecuador	$1.8M	-54%	0%	$151K	10	-4	2%	7
Paraguay	$2M	-61%	20%	$177K	7	1	1%	4
Peru	$132M	4%	8%	$461K	107	-9	16%	11
South & East Asia	**$54M**	**-5%**	**4%**	**$579K**	**32**	**-14**	**5%**	**8**
India	$25M	9%	2%	$595K	8	-6	1%	2
Indonesia	$10.1M	1%	0%	$562K	11	-3	2%	4
Philippines	$3M	58%	0%	$744K	3	-2	0%	2
Vietnam	$0.7M	-84%	35%	$233K	2	-3	0%	3
Sub-Saharan Africa	**$236M**	**12%**	**1%**	**$426K**	**272**	**-11**	**42%**	**13**
Benin	$7.2M	-10%	2%	$550K	6	0	1%	5
Burkina Faso	$13.1M	58%	11%	$625K	7	-2	1%	6
Côte d'Ivoire	$73.8M	12%	1%	$848K	31	4	5%	8
DRC	$7.8M	66%	1%	$460K	11	2	2%	2
Ghana	$8.8M	-18%	4%	$251K	20	-2	3%	6
Kenya	$23.8M	-10%	0%	$384K	30	-6	5%	11
Malawi	$2.2M	-4%	2%	$187K	7	1	1%	2
Mozambique	$11.8M	93%	3%	$676K	10	0	2%	2
Rwanda	$18.6M	-7%	1%	$284K	41	1	6%	7
Sierra Leone	$3.5M	-13%	3%	$607K	4	1	1%	3
Tanzania	$18.1M	48%	3%	$208K	65	2	10%	8
Uganda	$20.6M	-6%	2%	$355K	21	-7	3%	8
Zambia	$12M	380%	2%	$505K	7	1	1%	2
Other regions	**$14M**	**-36%**	**1%**	**$297K**	**29**	**-13**	**4%**	**6**
Egypt	$4M	n/a	1%	$570K	4	-9	1%	2
Georgia	$4.5M	0%	0%	$646K	2	0	0%	2
Tunisa	$0.8M	-76%	1%	$253K	2	1	0%	2

Data does not total due to rounding and the exclusion of countries with fewer than two borrowers or fewer than two lenders (e.g., Democratic Republic of Congo).
For businesses with a regional presence, disbursements are categorized by the country where a borrower is headquartered.

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